

Setu

Bridging the Gap in Cryptocurrency Adoption

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t.me/setucrypto

1. Introduction

Cryptocurrencies have evolved rapidly, but several factors serve as a barrier to their widespread adoption as a means of exchange. These include price volatility, limited utility and high transaction fees. Setu addresses these challenges through a controlled issuance model and built-in subsidies for transaction fees, ensuring cost-effective and seamless transactions.

No one wants to use a currency that's value is highly volatile, not just daily but also within the timeframe of a single transaction. Users need confidence that the currency they hold won't rapidly lose value. Setu address this by not directly pegging the value of Setu to the value of an existing fiat currency but rather to the broader financial market. The issuance of Setu coins is directly based on the Federal Fund Rate on any given day, acknowledging that cryptocurrencies exist within an ecosystem that interacts with traditional fiat currencies.

Transaction fees often deter people from using cryptocurrencies. Setu integrates a mechanism to subsidize transaction fees, minimizing financial barriers associated with using cryptocurrency, allowing people to freely use it as currency without worry.

2. The Market

The current cryptocurrency market lacks a comprehensive solution that combines low transaction fees with stable long-term value. Existing cryptocurrencies either have high fees or lack the necessary utility for widespread adoption. Setu aims to solve this by offering a cryptocurrency that can minimize transaction fees while also providing a good long term store of value. Because of it's controlled daily issuance, linked to the Federal Fund Rate but not directly dependent on the USD, it allows Setu an attractive store of value. By ensuring a gradual coin release, maintaining scarcity, and being a cost-effective cryptocurrency, Setu derives value.

3. The Technology

Setu is built on Polygon's Matic technology, known for its security, speed and cost-effectiveness. Being built on this blockchain allows Setu to deliver high performance at a low operational cost, essential for fostering widespread adoption and scalability.

Many of Setu's functionalities are managed by smart contracts. The subsidies, the selling of coins, the allocation of profits to different funds are all governed by smart contracts, allowing Setu to operate almost completely autonomously. Beyond regular updates and security audits, Setu's underlying technology ensures its independence once launched.

4. Tokenomics

Setu has a limited lifetime supply of 3 billion coins with a daily issuance limit dependent on the Federal Fund Rate. If the Federal Fund Rate is at 0% then the daily issuance would be at its maximum limit of 165,000 coins per day. The minimum issuance amount is 5,000 coins, which is capped when the Federal Rate is at 8%. Any rate higher than this will result in an issuance amount of 5,000 coins. The formula for daily issuance is the maximum issuance amount minus the Federal Rate divided by .25 multiplied by 5000.

$$\text{Daily Issuance} = 165,000 - (\text{Federal Fund Rate} \div .25 * 5000)$$

Even if the daily issuance was at the maximum amount of 165,000 coins, Setu could issue new coins every day for 49 years. These daily issued coins would be sold on exchanges at 5% less than the market price for that day to ensure that these new coins will be sold and that a profit will be made.

These sales are so that Setu can sustain itself, giving it an operating budget. The profit split will be 90% of it going to subsidizing gas fees, while the remaining 10% is allocated for an operation fund. An operation fund will allow Setu to over time implement new features over time and ensure its security.

5. Team

Setu is one-person team. The official means of communication is the Telegram channel, t.me/setucrypto. Official news and updates, such as when the IDO is, will be released there. This project is donation-run, so please donate if you can. The Monero addresses for donations is as follows:

44L447bNqacKw9kSBVZGQWR2whWWhvxeE2kymkxSSUj1VP1umBHoBh9jo2zd
GoYTjd6G9oBrbSFy1VCUnzzoSqM4T5jEFkh

6. Roadmap

Setu will first launch an IDO to help build up a liquidity pool. After that, according to its formula, Setu will begin selling coins. The implementation of the subsidy mechanism is activated as soon as the first coins are sold. This phase marks Setu's operational launch. Once Setu reaches a certain level of adoption and circulation, control of Setu will move to a decentralized model. Setu's community of users will be empowered to steer Setu's future through a democratic decision-making process.

7. Conclusion

Setu aims to be driving force in the adoption of cryptocurrency in the day-to-day lives of people. The only way to achieve this is with a fundamentally sound coin, which is what Setu is. Setu offers a currency that be used for quick and seamless transactions, while also holding real-world value. With this foundation and an engaged community, Setu has the potential to revolutionize the cryptocurrency landscape.

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GoYTjd6G9oBrbSFy1VCUnzzoSqM4T5jEFkh